

Crusader Energy

Proposed Management Incentive Program (MIP)

Assumption Metric: 1% of Sale Value Above \$150 million ⁽¹⁾

I. Employees in Proposed MIP Plan and Proposed Sharing of Pay-Out

Employee	Title	Salary	% of Total Pay-Out ⁽²⁾
David Le Norman	President and CEO	\$360,000	40.0%
Charles Mullens, Jr.	Secretary and General Counsel	180,000	20.0%
Charlie Paulson	Vice President and Engineering Manager	180,000	20.0%
Roy Fletcher	VP - Controller / Investor Relations	180,000	20.0%
		\$900,000	

II. Illustrative Pay-Outs in Dollars ⁽³⁾

Employee	Total Sale Value ⁽⁴⁾ / Pay-Outs ⁽⁵⁾				
	\$150,000,000	\$170,000,000	\$195,000,000	\$220,000,000	\$245,000,000
David Le Norman	\$0	\$80,000	\$180,000	\$280,000	\$380,000
Charles Mullens, Jr.	0	40,000	90,000	140,000	190,000
Charlie Paulson	0	40,000	90,000	140,000	190,000
Roy Fletcher	0	40,000	90,000	140,000	190,000

III. Illustrative Pay-Outs as % of Base Salary

Employee	Total Sale Value ⁽⁴⁾ / Pay-Outs as % of Base Salary ⁽⁵⁾				
	\$150,000,000	\$170,000,000	\$195,000,000	\$220,000,000	\$245,000,000
David Le Norman	0.0%	22.2%	50.0%	77.8%	105.6%
Charles Mullens, Jr.	0.0%	22.2%	50.0%	77.8%	105.6%
Charlie Paulson	0.0%	22.2%	50.0%	77.8%	105.6%
Roy Fletcher	0.0%	22.2%	50.0%	77.8%	105.6%

Notes:

(1) Incentive threshold of \$150 million based on estimated transaction value range at commencement of sale process, using approx. PDP only PV20% value.

(2) Allocation of total pay-out determined using current annual salary as percentage of total annual salaries of 4 participants in MIP.

(3) All pay-outs to be made from proceeds of sale transaction, due at closing of sale.

(4) Value used to calculate sale value will be the same value used to calculate the Jefferies & Company M&A Transaction Fee.

To the extent that a Plan of Reorganization was pursued, total sale value would be based on the mid-point estimated enterprise value of the reorganized debtors.

(5) All pay-outs will be capped at 130% of total annual salary.

Exhibit A